

**REMARKS**

This communication is filed in response to the *Office Action* having an electronic notification date of October 2, 2009. Claims 1 and 16 are amended. Claims 4 and 8 were previously canceled. No new claims are added. Consequently, claims 1-3, 5-7, and 9-22 remain pending in this application.

**§ 101 Rejection of the Claims**

Claims 1-3, 5-7, and 9-15 were rejected under 35 U.S.C. § 101 because the claimed invention is allegedly directed to non-statutory subject matter. *Office Action* at 3. To expedite prosecution, Applicants have amended claim 1, from which claims 2, 3, 5-7, and 9-15 depend, to recite, “determining, using one or more processors, a reliability indicator of at least one stored personal detail associated with the chargeable account.” The presence of one or more processors to perform an action effectively ties the claims to a particular machine. *See Interim Examination Instructions for Evaluating Subject Matter Eligibility Under 35 U.S.C. §101* (August 25, 2009) at 15. As such, claim 1 includes at least one method step tied to a machine (i.e., a processor) and is directed to statutory subject matter. Applicants request that the present rejection under 35 U.S.C. §101 be withdrawn.

**§ 102 Rejection of the Claims**

Claims 1-3, 5-7, 9 and 11-22 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,714,918 to Hillmer et al. (*Hillmer*). Since a *prima facie* case of anticipation has not been properly established, Applicants respectfully traverse the rejection.

In order to anticipate a claim, a reference must teach all limitations, arranged or combined in the same way as recited in Applicants' claim. The Court of Appeals for the Federal Circuit recently held

[U]nless a reference discloses within the four corners of the document not only *all of the limitations claimed* but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.” (*Net MoneyIn, Inc. v. Verisign, Inc.*, No. 2007-1565 at 17. (Fed. Cir. Oct. 20, 2008.) Emphasis added.)

Because *Hillmer* fails to disclose all limitations of independent claims 1 and 16, these claims are not anticipated, and are thus novel.

The Examiner asserted that *Hillmer* teaches “a time the at least one stored personal detail was received and associated with the account identifier” as recited in claim 1. *Office Action* at 5. More specifically, the Examiner asserted that this limitation is taught in the portion of *Hillmer* that recites:

Records are removed from the negative databases 310, 312 when it is determined that the fraudulent indicativeness of the stored information is no longer accurate. In one embodiment, this occurs only after a manual review indicates that the record was entered into the negative databases 310, 312 in error or the customer's or address' fraudulent status has changed. *The customer's fraudulent status may change, for example, after a specified time period has elapsed in which there has been no further fraudulent activity by that customer.* An address' fraudulent status may change if it is determined that the previous occupants, who perpetrated the original fraud, have moved and new customers now live at the address. *Hillmer* at col. 10, lines 31-43 (emphasis added).

As such, the elapsed time of *Hillmer* is based on a period of time that has elapsed since fraudulent activity by the customer. However, the elapsed time period is not directed to determining the reliability of the personal detail itself like the reliability indicator of claim 1, but rather to the likelihood that the customer is likely to commit a fraud. Because the elapsed time period of *Hillmer* is used to indicate a period of time since the customer last committed a fraud, the elapsed time period does not anticipate “a time the at least one stored personal detail was received and associated with the account identifier” as recited in claim 1.

The Examiner further maintained the assertion “a record of an identification procedure performed upon receipt of the at least one stored personal detail” as recited in claim 1 “is disclosed by *Hillmer* in column 5, line 59 through column 6, lines 20 as AVS and CVV are both identification procedures performed on the receipt of the personal detail.” *Office Action*, page 3. Although the Examiner may interpret claims during examination as broadly as their terms reasonably allow, the *Hyatt* court stated that “during examination proceedings, claims are given their broadest reasonable interpretation *consistent with the specification.*” *In re Hyatt*, 211 F.3d

1367, 1372 (Fed. Cir. 2000) (citing *In re Graves*, 69 F.3d 1147, 1152 (Fed. Cir. 1995) (emphasis added). The *Specification*, at page 6, line 24 to line 31, for example, provides,

One exemplary reliability indicator is the identification procedure performed when the stored personal details were received. Secure identification procedures increase their reliability, in comparison to less secure procedures. An identification procedure is considered secure if it is more difficult for a fraudster impersonating another person to pass it successfully compared to a person using his real identity. For example, if the information was received in a fax along with a photocopy of the account owner's government-issued ID, the information should be considered more reliable than if the information was faxed with no identifying document.

As such, the identification procedure of claim 1 is not simply AVS or CVV. *Hillmer* at col. 5, line 59 to Col. 6, line 5. For example, *Hillmer* compares an address provided by the customer to an address on record. However, *Hillmer* does not further discuss an authorization check that is based on a procedure performed when the address on record was actually received.

Furthermore, the CVV procedure compares an identification code on record (and the card) to an identification code received from the user. *Hillmer* at col. 6, lines 6-20. *Hillmer* does not further discuss “a record of an identification procedure performed *upon receipt of the* at least one *stored personal detail*. At least because the AVS and CVV procedures are not performed when the address on record is received or when the card is issued with the identification code, respectively, *Hillmer* does not teach the “identification procedure” when interpreted consistently with the *Specification* and does not anticipate claim 1.

Third, the Examiner maintained the assertion that *Hillmer* teaches “a record of a degree of personal exposure of an entity submitting the at least one stored personal detail.” More specifically, the Examiner asserted that this element “is disclosed by *Hillmer* in column 6, lines 46-51 relative to the ‘known good relationship.’” *Office Action*, page 3. This portion of *Hillmer* states:

This database 212 accounts for customers 102 who have a known good relationship with a vendor 106 but often have their transactions 100 flagged as fraudulent by fraud detection system 108 for other reasons such as a high transaction amount, shipping

to a high risk zip code or an unusually high frequency of orders ("velocity").

Once again, the Examiner is not interpreting the claims consistently with the *Specification*. The *Specification*, at page 6, line 33 to page 9, line 6, for example, provides:

Another exemplary reliability indicator is the level of exposure taken by the person who supplied the information. In this context, exposure is defined as the difficulty to apprehend a person if he is determined to be a criminal. Fraudsters usually try to avoid apprehension, and therefore try to minimize exposure as much as possible. Therefore, a transaction in which a person exposes himself is less likely to be fraudulent. For example, if the information was received in the physical presence of the person it can be considered more reliable than if it was received in an anonymous Internet communication.

Because "personal exposure," as used in the *Specification* is not the same as a "known good relationship" as used in *Hillmer*, the rejection of claim 1 cannot stand. Namely, a past relationship with a vendor does not in any way disclose a current degree of personal exposure of an entity. Applicants, therefore, request allowance of the claim 1.

Further independent claim 16, as amended, has limitations similar to claim 1 and is asserted to also be allowable for at least the same reasons as those provided with respect to claim 1. Claims 2, 3, 5-7, 9, 11-15, and 17-22 depend either directly or indirectly from claim 1 or 16 and are allowable for at least the same reasons as their respective base claim. Further, these dependent claims may each be patentable for its own limitations.

In the Response to Arguments, the Examiner maintained the rejection previously presented in the Non-Final Action dated April 1, 2009. *Office Action*, page 3. Beyond the rationale discussed above, the Examiner merely stated that "Applicant's claims are extremely broad" and repeated the sections of *Hillmer* previously referenced. *Office Action*, pages 2-3. The Applicants respectfully remind the Examiner that

When an application discloses patentable subject matter and it is apparent from the claims and the applicant's arguments that the claims are intended to be directed to such patentable subject matter, but the claims in their present form cannot be allowed

because of defects in form or omission of a limitation, the examiner should not stop with a bare objection or rejection of the claims. The examiner's action should be constructive in nature and when possible should offer a definite suggestion for correction.

MPEP §706(II). Should the remarks and amendments contained in this response not result in an allowance of the claims, Applicants request further clarification.

**§ 103 Rejection of the Claims**

Claim 10 was rejected under 35 U.S.C. § 103(a) as being allegedly obvious over *Hillmer* in view of U.S. Patent No. 6,070,141 to Houvener et al. (*Houvener*). However, *Houvener* fails to make up for any of the deficiencies not found *Hillmer*. Therefore, since claim 10 depends from claim 1, it too is allowable for at least the same reasons as claim 1. Further, claim 10 may be patentable for its own limitations.

**AMENDMENT AND RESPONSE UNDER 37 C.F.R. § 1.116 - EXPEDITED PROCEDURE**

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**CONCLUSION**

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone the undersigned at (408) 278-4051 to facilitate prosecution of this application.

If necessary, please charge any additional fees or deficiencies, or credit any overpayments to Deposit Account No. 19-0743.

Respectfully submitted,

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop RCE, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 13th day of November, 2009.

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